



OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY AGENDA REPORT

MEETING DATE: 9-17-13

**CONTROL
NO:**

ITEM NO: 3

SUBJECT: RESOLUTION NO. OB 13-25

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2014 THROUGH JUNE 30, 2014, AND TAKING CERTAIN RELATED ACTIONS

FROM: Successor Agency to the Artesia Redevelopment Agency

PRESENTATION BY: Justine Menzel, Deputy Executive Director

RECOMMENDATION

Approval of ROPS for January 1, 2014 through June 30, 2014.

BACKGROUND

Pursuant to Part 1.85 of Division 24 of the California Health and Safety Code (the "Redevelopment Dissolution Law"), the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period (commencing each January 1 and July 1), listing the payments to be made by the Successor Agency during such period. All ROPS must be approved by the Oversight Board. Furthermore, each Oversight Board-approved ROPS must be submitted to the State Department of Finance ("DOF") for review.

Deadlines for ROPS Submission and Review

The Redevelopment Dissolution Law does not specify a deadline for the Successor Agency to submit the ROPS for January 1, 2014 through June 30, 2014 ("ROPS 13-14B") to the Oversight Board for approval. However, the Successor Agency must submit an Oversight Board-approved ROPS 13-14B to the DOF, the Office of the State Controller and the County Auditor-Controller no later than **October 1, 2013**. The successor Agency must submit the ROPS to the DOF electronically in the manner of DOF's choosing. A copy of the Oversight Board-approved ROPS must be posted on the Successor Agency's website.

The DOF may eliminate or modify any items on the ROPS before approving the ROPS. The DOF must make its determination regarding the enforceable obligations and the amount and funding source for each enforceable obligation listed on a ROPS no later than 45 days after the ROPS is submitted. Within five business days of the DOF's determination, the Successor Agency may request to "meet and confer" with the DOF on disputed items. The meet and confer period may vary, but an untimely submission of ROPS 13-14B may result in a meet and confer period of less than 30 days.

The County Auditor-Controller may object to the inclusion of any item on the ROPS that is not demonstrated to be an enforceable obligation and may object to the funding source proposed for any item. The County Auditor-Controller must provide notice of its objections to the DOF, the Successor Agency and the Oversight Board.

Penalties for Failure to Make Timely Submission

If the Successor Agency does not submit an Oversight Board-approved ROPS by October 1, 2013, the City of Artesia will be subject to a civil penalty of \$10,000 per day for every day that the ROPS is not submitted to the DOF. The penalty is to be paid to the County Auditor-Controller for distribution to the taxing entities. If the Successor Agency does not timely submit a ROPS, creditors of the successor agency, the DOF, and affected taxing entities may request a writ of mandate to require the Successor Agency to immediately perform this duty. Additionally, if the Successor Agency does not submit a ROPS within 10 days of October 1st, the Successor Agency's administrative cost allowance for that period will be reduced by 25 percent.

If the Successor Agency fails to submit an Oversight Board-approved ROPS to the DOF within five business days of "the date upon which the ROPS is to be used to determine the amount of property tax allocations", the DOF may determine whether the County Auditor-Controller should distribute any of property tax revenues to the taxing entities, or whether any amount should be withheld for enforceable obligations pending approval of the ROPS. It is not clear what is "the date upon which the ROPS is to be used to determine the amount of property tax allocations".

FISCAL IMPACT

The preparation and submittal of ROPS 13-14B is for the purpose of allowing the Successor Agency to pay its enforceable obligations for the period from January 1, 2014 to June 30, 2014.

BOARD ACTION

Staff recommends that the Oversight Board for the Successor Agency to the Artesia Redevelopment Agency adopt Resolution No. OB 13-25, approving the Recognized Obligation Payment Schedule for the six-month fiscal period from January 1, 2014 through June 30, 2014 and taking certain related actions.

ATTACHMENT

Resolution No. OB 13-25

RESOLUTION NO. OB 13-25

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2014 THROUGH JUNE 30, 2014, AND TAKING CERTAIN RELATED ACTIONS

RECITALS:

A. Pursuant to Health and Safety Code Section 34177(l), the Successor Agency to the Artesia Redevelopment Agency (the "Successor Agency") must prepare a proposed Recognized Obligation Payment Schedule ("ROPS") before each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed ROPS to the Oversight Board for the Successor Agency (the "Oversight Board") for approval.

B. Pursuant to Health and Safety Code Section 34177(l)(2)(C) and (m), the Successor Agency must (1) submit the Oversight Board-approved ROPS for the six-month fiscal period from January 1, 2014 through June 30, 2014 ("ROPS 13-14B"), to the DOF, the Office of the State Controller, and the County Auditor-Controller no later than October 1, 2013; and (2) post a copy of the Oversight Board-approved ROPS 13-14B on the Successor Agency's website.

NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves proposed ROPS 13-14B, substantially in the form attached hereto as Exhibit A. Staff of the Successor Agency is hereby authorized and directed to submit a copy of Oversight Board-approved ROPS 13-14B to the DOF, the Office of the State Controller, and the County Auditor-Controller and to post a copy of the Oversight Board-approved ROPS 13-14B on the Successor Agency's Internet website (being a page on the Internet website of the City of Artesia).

Section 3. The officers of the Oversight Board and the staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including requesting additional review by the DOF and an opportunity to meet and confer on any disputed items, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

PASSED, APPROVED AND ADOPTED this 17th day of September, 2013.

AYES:

NOES:

ABSENT:

ABSTAIN:

William A. Holt, CHAIR

ATTEST:

Gloria Considine, SECRETARY
OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE
ARTESIA REDEVELOPMENT AGENCY

EXHIBIT A

**SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY
RECOGNIZED OBLIGATION PAYMENT SCHEDULE
(January 1, 2014 through June 30, 2014)**

Recognized Obligation Payment Schedule (ROPS 13-14B) - Summary

Filed for the January 1, 2014 through June 30, 2014 Period

Name of Successor Agency: Artesia

Name of County: Los Angeles

Current Period Requested Funding for Outstanding Debt or Obligation		Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding		
A Sources (B+C+D):		\$ 2,098,146
B Bond Proceeds Funding (ROPS Detail)		2,098,146
C Reserve Balance Funding (ROPS Detail)		-
D Other Funding (ROPS Detail)		-
E Enforceable Obligations Funded with RPTTF Funding (F+G):		\$ 732,569
F Non-Administrative Costs (ROPS Detail)		667,896
G Administrative Costs (ROPS Detail)		64,673
H Current Period Enforceable Obligations (A+E):		\$ 2,830,715

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

I Enforceable Obligations funded with RPTTF (E):	732,569
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column U)	-
K Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 732,569

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

L Enforceable Obligations funded with RPTTF (E):	732,569
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AB)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)	732,569

Certification of Oversight Board Chairman:

Pursuant to Section 34177(m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

Name

Title

/s/

Signature

Date

(Report Amounts in Whole Dollars)

[illegible]

[illegible]

ROPS III Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS III (July through December 2013) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 13-14B (January through June 2014) period will be offset by the SA's self-reported ROPS III prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

[illegible]

Recognized Obligation Payment Schedule 13-14B - Notes

January 1, 2014 through June 30, 2014

Item #	Notes/Comments
7-15	All or a portion of items 7-15 shall be repaid to City pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/12.
17	Additional funding amount pursuant to the Pioneer Downtown Revitalization Project Bond Proceeds Funding Agreement, by and between the City and the Successor Agency, which has already been previously approved by the Oversight Board and the DOF.
19	The Historic District Project is identified in bond documents for 2007 tax exempt bonds issued by the former Artesia Redevelopment Agency as a project to be funded with those bond proceeds. The estimated amount of the total project related cost is shown in item 19. Payment of item 19 is contingent on the Oversight Board's approval of a Historic District Project Bond Proceeds Funding Agreement to be entered into between the City and the Successor Agency.

PPA 7-9 Note to the Report of Prior Period Adjustments:

Column J - \$21,082 represents interest earnings from bond reserve funds held by the bond trustee. Pursuant to indentures, such interest earnings are not remitted to the Successor Agency but are applied by the bond trustee directly to upcoming bond debt service payments.